

**CITY OF MOUNTAIN VIEW
MEMORANDUM**

DATE: October 24, 2003

TO: City Council

FROM: Linnie Melena, Principal Planner (Acting)
Whitney McNair, Zoning Administrator/Planning Manager

SUBJECT: OCTOBER 28, 2003 STUDY SESSION—MAYFIELD MALL PRECISE
PLAN

The purpose of this study session report is to present several issues associated with starting the process of revising the Mayfield Mall Precise Plan to accommodate potential redevelopment of the site. City Council comment will help provide direction to staff on how to proceed.

BACKGROUND

At a September 16, 2003 study session, the City Council reviewed background information on the development history and zoning of the Mayfield Mall Precise Plan area in anticipation of potential redevelopment of the site. Hewlett-Packard (HP), the owner, has vacated the buildings and placed the 27-acre site on the market. At the time of the study session, HP was in the process of selecting a developer after an initial proposal to sell the existing buildings for medical office use had failed to materialize. The new developer is likely to want to build housing and/or mixed use. At the study session, Councilmembers indicated they wanted to be proactive in planning for the site, to work collaboratively with the developer when one is chosen and to involve the neighborhood in the planning process. (See attached staff report and minutes from the September 16, 2003 meeting—Attachments 5 and 6.)

Following up on those comments, staff began evaluating various approaches that the City could take to the planning process. The process depends to a large degree on when a developer will be selected. In view of this, staff met with HP representatives about a week ago to find out more about HP's time line. HP advised that it expects to have selected a developer who could begin substantive discussions with the City by the end of the calendar year.

ISSUES

Approaches to the Precise Plan Amendment Process

Key issues in the Precise Plan amendment process are: (1) how and when the developer enters the process; and (2) how the City can be proactive and maximize neighborhood participation while involving the developer in the process. In the following section, staff will outline several approaches the City can take to address these issues.

Option 1: This option assumes that the developer will submit a specific application for rezoning by January 2004. The application would be immediately forwarded to the City Council as part of the "gatekeeper" ordinance review. Staff would prepare a work program that focuses on the specific application and submit it to the Council for approval as part of the "gatekeeper" review. The developer would pay the normal application fees and costs of processing the application.

Since it now appears that the selection of the developer is imminent, this option appears to be the best approach. It has the advantage of combining the developer's required "gatekeeper" review with consideration of a City-designed work program. They would be presented to the City Council together within the next few months (January/February time frame), thereby avoiding duplication of effort. This option is proactive in that the work program would include a range of alternative land uses and provide for significant neighborhood participation. The process can be initiated in approximately the same time frame as if the City were initiating the rezoning alone. This option allows the costs for the Precise Plan amendments to be paid by the developer, but still provides the opportunity for the City and the community to weigh in on which land use alternatives should be studied and to ensure adequate environmental, fiscal and land use review.

A potential problem may arise if HP does not select its developer before the end of the year. However, HP has indicated it would keep the City informed of milestones in the selection process (i.e., letter of intent, contract) so there would be warning signals if the schedule is not maintained. If it appears that the selection process is lagging or the City Council wants a more proactive process, it can go to Option 2.

Option 2: Staff could develop a work program that is a completely City-driven. Under this scenario, the work program would not be dependent on submittal of a rezoning or development application and could be scheduled for Council approval in January. All costs would be borne by the City with a potential provision for reimbursement by the developer (see further discussion below).

Under this option, the Council could decide to: (a) allow the developer to submit an application and enter the process at any time (after "gatekeeper" review); or (b) not allow the developer past the "gatekeeper" (i.e., not process the application) until the City has completed amending the Precise Plan.

The primary advantage of this City-driven process (No. 2) is that the City can proactively begin the Precise Plan amendment process, rather than wait for an application. However, the City would bear all or part of the costs of preparing the plan depending on when and whether the developer joins in the process.

Option 3: Under this option, the City would take no action on amending the Mayfield Mall Precise Plan until an application is submitted. This is standard procedure for processing zone changes given the limited staff resources. This option would allow other long-range Planning projects, like the Downtown Precise Plan, to move more quickly. However, the Council may not wish to wait if HP delays their selection of a developer. The Council may want to provide more guidance to a potential developer sooner.

Conclusion

Staff believes that the most streamlined and efficient process for initiating the Precise Plan amendments is Option 1. It depends on HP selecting its developer in a timely manner. Assuming there is no delay in the selection, the City will be prepared to move forward quickly. If there is a delay, the City can immediately go to Option 2.

Costs of the Planning Process

Revision of the Mayfield Mall Precise Plan is expected to be costly for the following reasons:

- It is a very large site; in fact, it is the largest redevelopment site in Mountain View.
- It is an infill opportunity and new development must be integrated into the fabric of the neighborhood around it.
- About 20 percent of the site is in Palo Alto and there will be the added costs of coordination.
- There are significant environmental and fiscal factors that need to be evaluated.

- There is an active and engaged neighborhood association.

Staff has not yet attempted to estimate the exact costs of consultant assistance needed for the Precise Plan amendments. However, the Environmental Impact Report is expected to be the single largest cost item with a budget of about \$150,000. A fiscal analysis will be required, both because it is a City requirement for large development projects and because it is a key factor in deciding on appropriate land uses. Also, urban design consultant assistance is usually needed to develop design standards and guidelines for Precise Plans and to assist with site planning. The scope and cost of the urban design assistance will depend in part on whether a developer brings an urban designer to the process. Finally, a facilitator may be needed to assist with neighborhood meetings.

The September 12 report suggested a cost of \$200,000 to \$250,000, but after further consideration, staff now believes that the total budget for the project could approach \$450,000 and take two years. Staff expects to refine the consultant needs over the next two months based on Council input.

Analysis and Conclusion

If the City initiates the process (Option 2), it would front the money for the planning process with the expectation that a developer would reimburse the City for all or part of that amount. This approach was used for the Evelyn Avenue Corridor Precise Plan. The Evelyn Avenue Precise Plan was approved in 1994 and cost about \$200,000. The Evelyn Avenue Precise Plan requires developers to pay the City a "per unit" or "per square foot" fee at the time of project approval. However, if this same approach is used for the Mayfield Mall, there is the risk that a developer will choose not to proceed under the City's revised Mayfield Mall Precise Plan and the City will never be reimbursed.

If the developer initiates the process as outlined under Option 1 (or Option 3), the developer would have to pay for the consultants as is the case with all privately initiated projects.

Staffing Impacts

When the City Council considers whether an application should be processed under the "gatekeeper" ordinance, the major consideration is staffing impacts. Processing a Precise Plan amendment for the Mayfield Mall site was included in the Community Development Department work program for 2003-04 (0.50 to 0.75 person). However,

the staffing was based on reuse of existing buildings for medical offices. Amendments to accommodate redevelopment of the site is a significantly larger project and the staff time needed to manage that process is expected to be 1.0 to 1.25 person.

Major Precise Plan amendment projects are assigned to the Advance Planning Section in the Community Development Department. Staffing in Advance Planning is expected to remain at 50 percent (i.e., one person) until about March 2004, when the vacant position is filled. Current Planning is assisting with Advance Planning projects while continuing with its other responsibilities for processing development applications. However, Current Planning staffing will also be effectively reduced between December 2003 and June 2004 because of upcoming leaves. These Advance and Current Planning staffing shortfalls are in addition to the 25 percent decrease in staffing levels that occurred in 2003-04 because of the budget reductions.

The other major long-range Planning projects that Advance and Current Planning staff are actively working on are:

- The Historic Preservation Ordinance revision.
- The Precise Plan amendments and development proposal from the Palo Alto Medical Foundation for the Emporium site.
- The Downtown Precise Plan update.

Analysis and Conclusion

Initiation of the Mayfield Mall Precise Plan process would begin in November with development of the work program for City Council approval in January (under Options 1 and 2). This would be immediately followed by preparing Requests for Proposals (RFP) and selecting consultants. Meetings would begin after that. In order to undertake this work, some priorities and schedules will have to be adjusted. This is because the critical paths for all of the other projects listed above will overlap at a time when staffing is at a low level. Staff will be drafting a revised Historic Preservation Ordinance in December and January for public hearings beginning in January. The schedule must be maintained in order to have a revised ordinance by April 2004. Work on the Americana Precise Plan amendments and environmental review for Palo Alto Medical Foundation will also be under way. The environmental assessment and final draft precise plan amendments for the Downtown Precise Plan were scheduled to be completed in November. Next steps were to be Planning Commission and City Council hearings on the Precise Plan in December and January.

The most feasible course of action is to slow down the Downtown Precise Plan, which does not have a deadline, and all other development applications, including Palo Alto Medical Foundation, in order to begin working on Mayfield Mall. The Historic Preservation Ordinance revision process will proceed on schedule. However, as has been indicated to the Council previously, the review and revision of the Register of Historic Resources will be undertaken later as a separate study. Only 696 California Street will be reviewed along with the Historic Ordinance.

The increased workload for the Mayfield Precise Plan amendments also means that no other Housing Element programs will be implemented in 2003-04. Housing Element implementation will focus on the action that says: "Revise the Mayfield Mall Precise Plan to allow for housing and other uses of redevelopment is initiated by the property owner."

The attached "workload breakdowns" for the Advance and Current Planning Divisions have been updated to show how staff time would be allocated. There is 0.60 person assigned to Mayfield Mall, which equates to 1.0 person for the remaining half of this fiscal year. Next year, the staffing is expected to be 1.0 person for a full year.

Land Use Alternatives

The work program for the Mayfield Mall Precise Plan is expected to be a two-step process with the first step focusing on the selection of alternatives and the second step on review of the proposed project and alternatives. As noted above, the process should include consideration of a range of alternatives. Staff is seeking Council direction on whether any alternatives listed below can be eliminated at this stage in order to better focus the scope of the project.

1. Mixed Use

- a. Residential and neighborhood-serving commercial (primarily residential at densities shown under "all residential").
- b. Residential and commercial in approximately equal parts. Commercial could include destination retail, R&D offices, general offices and medical offices.

2. All Residential

- a. Low Density (six units per acre; single-family as in Monta Loma neighborhood).

- b. Medium Low Density (10 to 15 units per acre; mix of small-lot, single-family and townhouses as in Whisman Station (14.5 units per acre)).
- c. Medium Density (15 to 25 units per acre, mix of small-lot, single-family, townhouses and high-density condominiums as in The Crossings (21.5 units per acre)).
- d. Medium High Density (25 to 45 units per acre, mix of townhouses and high-density condominiums as on Bryant Street (35 to 40 units per acre)).
- e. High (up to 50 units per acre as in Park Place).

3. All Commercial

- a. Office/R&D (reoccupy existing buildings).
- b. Medical offices.
- c. Retail center (destination, big box like Costco Center or Grant Road shopping).
- d. Mix of offices, retail and other commercial uses (San Antonio Center).

Analysis and Conclusion

The work program can be better defined if the City Council provides some guidance on these alternatives. There will also be further refinement of the list as a result of fiscal and marketing analyses as well as neighborhood input during the planning process.

CONCLUSION

City Council discussion of these four issues—approaches to the precise plan amendment process, costs, staffing and land use alternatives—will assist staff in preparing a work program to be scheduled for approval at a regular City Council meeting in December.

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Attachments: 1. Map
2. Aerial Photograph
3. Advance Planning Workload Breakdown
4. Current Planning Workload Breakdown
5. Staff Report for September 16, 2003 City Council Study Session
6. Minutes of September 16, 2003 City Council Study Session

cc: Hewlett-Packard

Mr. Dave Jensen, President
Monta Loma Neighborhood Association

Persons who attended the September 16, 2003, City Council Study Session

City of Palo Alto

EPC